GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3367
ANSWERED ON:05.08.2016
Personal Guarantees of Promoters
Ahlawat Smt. Santosh;Yadav Shri Om Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has passed any instructions to Public Sector Banks to immediately start invoking personal guarantees of promoters to recover the dues in case companies have failed to repay the loans; and
(b) if so, the details and the outcome so far during the last three years, bank-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) & (b): Yes Sir, Department of Financial Services in consultation with Reserve Bank of India (RBI) has advised Public Sector banks to take steps against guarantor's when no sign of revival is visible, which inter alia include enforcement of security, sale of pledged shares, DRT application for attachment of property and recovery from book debts as applicable.

RBI does not maintain data of such cases.

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